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ABSTRACT

This study gathered information on general family practices concerning allowances given to children, parental reasons for the provision of allowances, the bases for their administration, and the frequency of conflicts generated around them. The subjects were 81 parents of elementary school children in a midwest Canadian city. Subjects completed questionnaires, and factor analyses of parent reasons for providing allowances were compared to the factors generated by Feather's Australian investigation. This study corroborated Feather's earlier findings on the factors influencing parents' decisions to give allowances: (1) family concerns (such as harmony); (2) child independence/monetary education; and (3) children's needs. Results also indicated that parents were consistent in their principles for allowances and rewards, since parents who did not increase allowance for good behavior were less likely than parents who did to decrease allowance for bad behavior. The same pattern of principles was apparent for grades. In addition, the parents perceived conflicts to be generated from children comparing allowances with their peers, or comparing their family practices with the practices of other families. Results suggest that although the relationship between income and allowances requires further investigation, the analysis of allowance practices per se is most effectively pursued in families who are able to provide beyond the bare necessities of life. (Contains 16 references.) (MOK)

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Allocation of Allowances and Associated Family Practices

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Abstract

This study presents information on general family practices of family allowances to children, parental reasons for the provision of allowances, the bases for their administration, and the frequency of conflicts generated around them. Eighty-one parents of elementary school children in a Midwest Canadian city completed questionnaires. The respondents used a Likert scale to indicate the importance of parents' reasons for allowances, bases of allowance allocation and the frequency of conflict over allowance. The factor analyses of these parent reasons for providing allowances were compared to the factors generated by Feather's Australian investigation (1991). In both countries the factor analyses generated three major factors that included similar items.

Allocation of Allowances and Associated Family Practices

Attitudes about giving money to children have changed over the first half of this century (Zelizer, 1985). Parents were first urged to pay children by the day or week for keeping their rooms in order and doing their chores. By the 1930's the preferred way of providing children with spending money became an allowance that was not tied to work. Many popular publications have advised parents to give their children allowances to teach them about money (Horton, 1988; McKitric, 1986). Since then, a debate has taken place surrounding the value of, and the 'best' way to administer allowances.

Since allowances are a common practice in a majority of Western families (Hollister, Rapp & Goldsmith, 1984), the purpose of this study is to consider four aspects of this family practice.The first aspect is the pattern of allowances e.g.,onset and termination.

The second aspect is the reasons that parents give for providing allowances. This issue stems from the distinction drawn in previous research between an orientation towards social welfare of the children, and an orientation towards self-interest of the parent (Feather, 1991). In Feather's Australian study, three major factors were derived from parental reasons for providing allowances. These factors were family concern, independence training, and child's needs.

The third issue is the consideration of the bases on which allowances are dispensed. The bases are considered on a continuum from no requirements e.g., allowances are automatic, to highly restrictive e.g., parents believe that all tasks responsibilities must be met before an allowance is given. Following from earlier research (e.g., Mortimer, Dennehy, Lee & Finch, 1994), it is anticipated that the majority of parents demand some work performance for the receipt of allowance money.

The providing of pocket money as earnings for work opens up the possibility that children can negotiate, bargain, and argue with parents about pocket money. As a conclusion to his research, Feather (1991) questioned to what extent forming a link between work and money may have a negative impact on family relationships. The division of money in the family appears to be a fairly common source of conflict and tension, but to date, there has been no investigation of the degree or nature of this possible conflict. Therefore, the fourth aspect is the investigation of the nature and frequency of conflicts over

allowances. The allocation of allowances as a division of family resources may reflect broader aspects of family functioning and communication.

Based on the above issues, this study compares the parental practices for allowances in Feather's Australian study with those reasons provided by parents in our Canadian study, to detertmine if there are cultural differences in parental attitudes about allowances.

Method

Participants.

Eighty-one parents of 129 parents with children enrolled in an elementary school in a Mid-West Canadian city agreed to participate. The total number of parents (68 females and 13 males) who completed the questionnaires at home and delivered the responses in sealed, coded envelopes. The families were primarily white middle class and biologically two-parent intact homes. For the 81 families, the median income was $40,000 with the mothers working an average of 26.12 hours per week (SD =16.83 hours) and the fathers working an average of 46.53 hours per week (SD = 9.91 hours). These parents had one child between 10-11 years old (M = 10.7 years) in the 4th, 5th or 6th grades.

Parent Questionnaire (PQ).

Demographic questions. Parents provided background information about their own age, gender, education, work hours, income level, household type, and whether or not they ever received an allowance. They were asked about about their family (number, gender and age of children) and detailed information about the types of out-of-school activities and the responsibilities of these children. Family practices. Parents then rated statements concerning general family practices of chores and allowances on a five-point scale ranging from 'not true of our family' (scored as 1), to 'always true of our family' (scored as 5). An example of such a question is "A child in our family is expected to do more chores as they get older".

Allowance reasons. Parents then completed Feather's (1991) 13 pocket money reasons questionnaire. They rated these items on a five point scale ranging from 'not true' (scored 1) to 'always true' (scored 5). Following that, some general questions concerning allowance allocation

were answered in a yes/no manner. An example of such a question is "Is allowance decreased for poor school grades?" Also they gave the average amount of allowance given to each child each week, the onset of their children getting an allowance, as well as when they expect to stop giving an allowance.

Conflict scale. The next section asked parents to look at a list of eight possible conflicts (Table 5) and rate how frequently each one occurs in their family with (1) being the least frequent, and (8) being the most frequent. These questions were developed in focus groups with several parents and children.

Bases scale. Finally, parents were asked to rate the 5 possible bases for allowance allocation (Table 3) from 1 to 5 with (1) being the way they act least often, to (5) being they way they act most often.

Results

The analyses were conducted on the responses from 81 parents who completed the PQs (68 females and 13 males). These parents ranged in age from 29 to 48 years ($M = 38.53$ yrs., $SD = 3.92$). Their education ranged from 9 to 19 years ($M = 13.51$ yrs., $SD = 2.12$). Of the 81 parents, 46 (57%) reported they received an allowance as children, and 35 (43%) reported they had not. In addition, 28 (35%) of the responding parents' partners had received an allowance, while 38 (68%) had not. Fifty-nine (73%) gave their children allowances. Further 44, or 54% report that they gave some type of reward for good behavior that is not money. Twenty-nine or 36% did not give any type of reward for good behaviour, and 8, or 10% said that they did give a reward, but that it is money.

A chi-square test showed a relationship between the parent receiving an allowance, and their child(ren) receiving an allowance, $\chi^{2(81)} = 7.68$, $p \leq .01$. The only difference between the parents who gave allowances and those who did not was that the parents who gave allowances ($M = 38.59$ years, $SD = 3.53$) were slightly older than those who did not ($M = 36.50$ years, $SD = 4.24$), $F(1,54) = 4.02$, $p \leq .05$.

The average allowance per child per family ranged from 0 to $12.50 per week (M = $2.93, SD = 2.83). No significant relationship was found between income level and family total allowance or family average allowance.

The age at which the first child in the family started an allowance ranged from 2 years old to 15 years old (M = 7.32 years, SD = 2.61). The onset for the second child in the family was not lower than that of the first, and ranged from 2 to 13 years (M = 6.29 years, SD = 2.13). The onset for the third child (range = 3 to 7 years (M = 4.91 years, SD = 1.22) was lower than that of the second child, t (55) = 2.08, $p \leq .05$.

Of the 62 parents who answered the questions on allowance, 61% responded to the question concerning termination of allowance by saying that they would stop giving an allowance when the child(ren) started working, 5% gave different answers, and 34% did not answer the question at all. Table 1 shows the responses of the parents and their children to general questions about allowances. There was a significant relationship between parents not giving more allowance for good grades, and their not giving less allowance for poor grades, χ^2 (63) = 16.53, $p \leq .0001$. A parent who did not engage in one practice was more likely than one who did, to also not engage in the other practice. Similarly, a parent who did not give more allowance for good behavior was more likely than one who did, to not give less allowance for bad behavior, χ^2 (63) = 14.02, $p \leq .0002$. In addition, good grades were seen as having more impact than poor grades on the allowance, F (1,60) = 9.12, $p \leq .0004$.

Insert Tables 1 and 2 about here

Reasons for Allowances.

Table 2 lists the means and standard deviations of parents and on the reasons for allowances from the most to least important. Within group comparisons revealed that Reason 7 (it teaches children how to save money and plan how to spend it) was rated significantly higher in importance than Reason 3 (the children learn to use money properly) F (1,80) = 24.40, p

≤.0001. The second most popular parental choice, Reason 3 was rated significantly higher than the third most popular reason, Reason 6 (it helps make children more independent), F (1,80) = 15.87, $p \leq .0002$. Parents placed the least importance on Reason 5 (It helps the family argue less) and rated it significantly lower than Reason 10 (It is what parents are suppose to do), F (1,80) = 20.65, $p \leq .0001$.

Bases for Allowances.

Table 3 provides descriptive statistics for the parents' ratings on the bases for allowance allocation (e.g. rights based vs. work based).

Insert Tables 3 and 4 about here

Conflicts About Allowances.

The areas of conflict are shown in Table 4 with the means and standard deviations listed in rank order. There was an overall significant difference among the categories of conflict for the adults, Wilks' Lambda F (7,34) = 7.16, $p \leq .001$.

Factor Analysis of Reasons.

A factor analysis was performed on the parental reasons, using a principal components factor extraction method, in a fashion similar to Feather (1991). The scree test showed a three factor solution which accounted for 54.3% of the variance. Each factor was identified by items with factor loadings of .50. Table 5 compares this study with the Feather's study (1991) for their 3 factor solutions of Parent's reasons for allowances.

Insert Table 5 about here

Discussion

More than 70% of these 4th, 5th and 6th grade students received allowances,

substantiating the frequency of the practice and the general importance of allowances in family life. Half the parents stated that allowances were the object of discussion at least once a month highlighting the relevance to family living. Transgenerational family factors appear to impact on allowance allocation, since parents who received allowances as children were more likely to give allowances than those parents who had not received allowances.

Overall, first and second children began receiving allowances at 7.32 years and 6.29 years respectively. However in families with 3 or more children, the practice of providing allowance began at the average age of 4.91 years for the third child. The occurrence of a young age of inception for the youngest child in larger families may be interpreted as a filtering down effect to the youngest child when the other children are receiving pocket money and may relate also to concepts of equality or equity within the family. The majority of parents responded to the question concerning termination of allowance by saying that they would stop giving an allowance to their child(ren) when the child(ren) started working. Parents placed importance on the educational function of allowances which is in accord with the historical and popular views of allowances. The most important individual reasons for parents and children were that it teaches children how to save money and plan how to spend it and the children learn to use money properly.

Only 22% of the parents agreed that the allocation of an allowance was an automatic right. The majority of parents attached some conditions on children for receiving their allowances. As hypothesized, parents believed that allowances were contingent on behavior or work-based, and more generally they ascribed to an equity view of the allocation of allowances, i.e. one is paid for what one earns or deserves.

Parents were consistent in their principles for allowances and rewards since parents who did not give more allowance for good behavior were more likely than those who did, to not give less allowance for bad behavior. The same pattern of principles for allowances was apparent for grades as well as behavior, i.e. those parents who did not give more allowance for good grades were more likely to not withhold allowance for poor grades. In addition, the parents perceive

conflicts as generated from children comparing with their peers, or comparing their family practices with the practices of other families.

In this Canadian study and in an Australian study (Feather, 1991), three primary factors of parental reasons were found, and two of these three factors were similar in both studies. In both studies, the first factor for parental reasons contained the item "allowances help the family get along; it makes the family happier" . Although Feather interpreted or labelled this factor "family concerns" and the current study called this"child socialization" , the first factor in both studies focused on parent based concerns. The third factor, "children's needs", was similarly labelled in both countries and stressed the needs of children .

The second factor of reasons in the Australian study was labelled as "children's independence", whereas the second factor of reasons in the Canadian study was labelled "monetary education" . However, the items for the second factor in both countries included the items for teaching children about the use and handling of money. Although there are some differences in the two studies, the three factors in the two countries are remarkably similar in terms of the items included in the factors.

The current investigation was conducted in a homogeneous middle class environment which may mean that it does not reflect family practices in an economically disadvantaged environment. However, other investigations (e.g., Furnham & Thomas, 1984) have shown that granting allowances is a practice less common in the disadvantaged homes. Within families that do give allowances, the amount of family income generally was not found to differentiate the practices of families. Although the relationship between income and allowances requires further investigation, the analysis of allowance practices per se is most effectively pursued in families who are able to provide beyond the bare necessities of life.

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Table 1

Number of Yes or No Responses Made by 81 Parents and Children to General Questions Concerning Allowances

Question		Parents %	Parents n	Children %	Children n
1. Can children earn extra money for extra work?	Yes	80	65	76	62
	No	20		24	
2.[a] Can children change the amount of their allowance?	Yes	34	64	27	63
	No	66		73	
3. Is allowance increased for good school grades?	Yes	11	63	43	63
	No	89		57	
4. Is allowance decreased for poor school grades?	Yes	3	63	43	63
	No	97		57	
5. Is allowance decreased for poor behavior or conduct?	Yes	37	63	33	61
	No	63		67	
6. Is allowance increased for good behavior or conduct?	Yes	19	63	20	61
	No	81		80	
7. Are there any restrictions on what children do with their allowance?	Yes	58	62	44	63
	No	42		56	

Table continues

Question		Parents %	Parents n	Children %	Children n
8. Is extra money given for specific events (e.g.	Yes	94	81	75	63
	No	6		25	
9. Are children expected to buy clothing items?	Yes	26	72	23	61
	No	74		77	

Note. These are the wordings of the questions in the Parent Q

[a]Of the 22 and 17 "yes" responses from parents and children to this question, 9 and 13 of these respondents, respectively, indicated that this change could be made through completing more/less chores.

Table 2

Means and Standard Deviations for Parent Ratings of the Reasons for Allowances, in Order of Most Important to Least Important

Item Number	Parental Reasons	n	M	SD
7.	It teaches children how to save money and plan how to spend it	64	4.52	.91
3.	Children have to learn to use money properly	64	4.39	.87
6.	It helps make children more independent	64	3.75	1.22
4.	It teaches children to work hard for rewards	63	3.37	1.36
8.	It helps children learn to act like an adult	63	2.87	1.39
12.	Parents have to think about what children need	64	2.63	1.42
1.	Children need money to get what they need	62	2.50	1.37
13.	Parents find it easier for children to buy things they want/need	64	1.92	1.10
9.	Allowances help family get along; it makes the family happier	64	1.77	1.14
11.	Allowances make the family stronger	63	1.75	1.18
2.	Other families do, so we must too, in order to be fair	64	1.63	1.00
5.	Allowances help make our family argue less	64	1.30	.77
10.	Parents are supposed to give allowances	64	1.33	.71

Note. The item numbers represent the order in which the question appeared on the questionnaire.

Table 3

Means and Standard Deviations of the Bases on which Allowance is Allocated, in Order from Most Frequent to Least Frequent

Item Number	Bases	n	M	SD
5.	Allowance is provided for reasons other than chores being done	60	3.35	1.66
3.	Allowance is provided after most chores are done	54	3.35	1.36
4.	Allowance is provided only after all chores are done	55	3.11	1.60
2.	Allowance is provided after only some chores are done	55	2.78	1.18
1.	Allowance is a completely automatic right	61	2.31	1.69

Table 4

Means and Standard Deviations of Ratings of the Conflicts Over Allowances, in Order from Most Frequent to Least Frequent

Item Number	Conflicts	n	M	SD
6.	Parent believes each family has its own method; does not want to be compared to other families	57	5.40	2.99
1.	Child believes friends get more allowance than they do	56	4.75	3.01
4.	Parent believes performance or behavior should be evaluated before allowance is given	56	4.50	2.57
3.	Child believes allowance should be a right, and not based on performance or behavior	56	4.46	2.69
5.	Parent believes child can owe money for poor performance or behavior	56	3.00	2.57
2.	Child believes others in family get more than they deserve	54	2.98	2.67
7.	Adults disagree on how or why allowance should be given	53	2.79	2.41
8.	Adults disagree on whether the family has enough money to increase allowances	53	2.02	1.92

Table 5

COMPARISON OF FACTOR STRUCTURE AND PARENTAL REASONS FOR THREE FACTOR SOLUTIONS FOR TWO INDEPENDENT STUDIES

FEATHER (1991) AUSTRALIA	KERR & CHEADLE (1996) CANADA
51.3% OF VARIANCE	54.3% OF VARIANCE
FACTOR 1	
FAMILY CONCERNS	CHILD SOCIALIZATION
2. Other families do, so we must too, in order to be fair.	4. It teaches children to work hard for rewards.
5. Allowances help make our family argue less.	8. It helps children learn to act like an adult .
9. Allowances help family get along; it makes the family happier.	9. Allowances help family get along; it makes the family happier.

Table continues

10. Parents are supposed to give allowances.

11. Allowances make the family stronger.

13. Parents find it easier for children to buy things they want/need.

FACTOR 2

INDEPENDENCE TRAINING

3. Children have to learn to use money properly.

4. It teaches children to work hard for rewards.

6. It helps make children more independent.

7. It teaches children how to save money and plan how to spend it.

8. It helps children learn to act like an adult.

MONETARY EDUCATION

3. Children have to learn to use money properly.

7. It teaches children how to save money and plan how to spend it .

FACTOR 3

CHILDREN'S NEEDS	CHILDREN'S NEEDS
1. Children need money to get what they need.	1. Children need money to get what they need .
12. Parents have to think about what children need.	2. Other families do, so we must too, in order to be fair.

NOTE. The factor loadings are not provided in the Feather article to permit the weighting or interpretation of the individual factors.

The item numbers refer to the order on the actual questionnaire.